MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BET2014 – BUSINESS ETHICS

(All sections/Groups)

2 OCTOBER 2023
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **TWO (2)** pages with only **FOUR (4)** questions.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

SECTION A: Structured Questions (100 Marks)

QUESTION 1

(a) The Selangor Water Management Authority (LUAS) has ordered a factory that manufactures industrial adhesives and chemicals to stop its release of effluent that could possibly cause pollution after water in Sungai Langat turned black recently. There are rumours that the factory disposed hazardous waste solvents into the river. However, the factory owner denied the claim as there are other manufacturing facilities running along the river too. Earlier, LUAS conducted three samplings that have been sent to the chemistry department for further analysis and the authority will open an investigation paper under Section 79(1) of the LUAS Enactment 1999. The residents of the nearby community hope the offender will be identified and brought to justice because numerous negative side effects have been experienced by the locals, including severe respiratory problem due to the water pollution.

(i) Based on the Mixed Ethical Framework, identify and discuss **TWO (2)** guiding principles that the factory has violated if it is found guilty of causing water pollution. (6 marks)

(ii) Based on existentialism philosophy, explain the irresponsible actions of the factory that caused water pollution. (4 marks)

(b) Integrity refers to the quality of being honest and having strong moral principles in all aspects of life, even when no one is watching. An individual could evaluate the integrity of his or her action based on some simple rules of thumb. Identify and discuss **FIVE (5)** different tests of integrity heuristics. (15 marks)

(Total: 25 marks)

QUESTION 2

(a) Describe the development of stakeholder concepts debated by Berle and Dodd. (6 marks)

(b) The board of directors is formed to represent stockholders' interest in a company. The board also acts as a corporate governance mechanism to help ensure that the managers do their job in maximising stockholders' returns. Explain **FIVE (5)** types of boards of directors based on board members' level of involvement. (10 marks)

(c) Discuss **THREE (3)** environmentally friendly strategies which help companies to differentiate their products and gain competitive advantage. (9 marks)

(Total: 25 marks)

Continued ...

QUESTION 3

(a) Being the Chief Ethics Officer in your company, you are being tasked to analyse a proposal on installing computer monitoring software to monitor employees' productivity, adherence, and conduct at the workplace. Discuss **FOUR (4)** types of critical analysis you should consider conducting to assist the decision-making process. (8 marks)

(b) Organisational integrity requires that organisations do not act in a purely opportunistic manner, but rather align decisions and actions to be consistent with their espoused social values and demonstrate value-attuned responsiveness to their external environment. Briefly discuss **FOUR (4)** key attributes of a fully integrity-based organisation. (8 marks)

(c) Briefly explain **THREE (3)** philosophical presuppositions of external financial reporting that might impact the interpretation of financial reporting in different manners by accountants. (9 marks)

(Total: 25 marks)

QUESTION 4

(a) 3M is one of the 135 companies around the globe being named as the World's Most Ethical Companies in 2023 by the Ethisphere Institute. 3M's code of conduct is the foundation for its strong reputation with customers across many industries. The leaders create and promote a workplace environment where compliance and integrity are expected and encouraged. Discuss **FIVE (5)** benefits of complying code of ethics in a company. (10 marks)

(b) PwC's Global Economic Crime and Fraud Survey 2022 reported that 52% of large-sized companies (with global annual revenues over $10 billion) experienced fraud during the past 24 months while only 38% of small-sized companies (with global annual revenues less than $100 million) experienced fraud within the same period. Explain **THREE (3)** possible reasons that cause larger firms to experience more frauds than those smaller firms. (9 marks)

(c) An ethics hotline is a confidential way for employees to report ethical concerns without fear of retaliation. The reports will be investigated and addressed promptly to prevent escalation and damage to organisation reputation. Discuss **THREE (3)** types of ethics hotlines. (6 marks)

(Total: 25 marks)

End of Paper